

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2004**

	December-04					September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation		Quarter Net ROR	Month Net ROR	Market Value	Allocation		Quarter Net ROR	Net ROR	Net ROR	Ended 6/30/2004 Net	Ended 6/30/2004 Net
		Actual	Policy				Actual	Policy					
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
LA Capital	65,982,239	4.5%	4.5%	10.52%	4.78%	59,679,713	4.4%	4.5%	-4.17%	5.92%	N/A	N/A	N/A
Total Structured Growth	65,982,239	4.5%	4.5%	10.52%	4.78%	59,679,713	4.4%	4.5%	-4.17%	5.92%	19.20%	-5.87%	-7.07%
<i>Russell 1000 Growth</i>				9.17%	3.92%				-5.23%	3.47%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>													
LSV	71,767,837	4.9%	4.5%	9.12%	2.80%	65,776,002	4.9%	4.5%	3.11%	12.51%	29.44%	9.20%	8.31%
<i>Russell 1000 Value</i>				10.38%	3.35%				1.54%	12.08%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	87,251,935	5.9%	6.0%	9.18%	3.59%	79,918,625	5.9%	6.0%	-2.24%	6.74%	18.59%	-0.17%	N/A
<i>Russell 1000</i>				9.80%	3.62%				-1.81%	7.81%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>													
Northern Trust	87,947,012	6.0%	6.0%	9.18%	3.29%	80,550,760	5.9%	6.0%	-2.17%	6.81%	19.00%	-0.31%	N/A
Strong	-	0.0%	0.0%	N/A	N/A	67	0.0%	0.0%	N/A	N/A	21.13%	-0.06%	N/A
Westridge	87,715,150	6.0%	6.0%	9.50%	3.44%	80,248,225	5.9%	6.0%	-1.94%	7.38%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	175,662,163	11.9%	12.0%	9.34%	3.37%	160,799,052	11.9%	12.0%	-2.13%	7.01%	19.81%	-0.24%	N/A
<i>S&P 500</i>				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>													
State Street	44,684,118	3.0%	3.0%	9.23%	3.41%	40,906,354	3.0%	3.0%	-1.87%	7.19%	19.08%	-0.67%	-2.17%
<i>S&P 500</i>				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	445,348,292	30.2%	30.0%	9.44%	3.53%	407,079,746	30.1%	30.0%	-1.59%	7.70%	20.38%	0.08%	-2.14%
<i>S&P 500</i>				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	161,003,016	10.9%	10.0%	14.79%	3.88%	140,141,595	10.3%	10.0%	-3.59%	10.67%	33.33%	5.76%	N/A
<i>Russell 2000 + 200bp</i>				14.64%	3.13%				-2.36%	11.93%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	161,003,016	10.9%	10.0%	14.79%	3.88%	140,141,595	10.3%	10.0%	-3.59%	10.67%	33.33%	5.76%	6.81%
<i>Russell 2000</i>				14.09%	2.96%				-2.86%	10.83%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY													
<i>Large Cap - Core</i>													
State Street	32,003,872	2.2%	2.0%	10.22%	4.34%	55,531,355	4.1%	4.0%	-1.24%	8.85%	27.44%	0.42%	-1.44%
<i>MSCI EAFE (1)</i>				11.69%	4.39%				-0.72%	10.89%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>													
Capital Guardian	91,536,877	6.2%	6.0%	10.34%	3.70%	133,595,539	9.9%	10.0%	-1.48%	8.71%	25.40%	-1.15%	1.54%
LSV	87,045,594	5.9%	6.0%		4.67%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	(11,567)	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	31,599,819	2.1%	2.0%	16.02%	5.56%	27,293,030	2.0%	2.0%	-1.07%	14.78%	23.61%	N/A	N/A
Total Large Cap - Active	210,170,723	14.3%	14.0%	11.63%	4.34%	160,888,569	11.9%	12.0%	-1.41%	10.06%	25.11%	-0.79%	1.76%
<i>MSCI EAFE - 50% Hedged</i>				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>													
Lazard	30,854,206	2.1%	2.0%	16.15%	4.36%	29,180,441	2.2%	2.0%	0.76%	17.03%	44.40%	N/A	N/A
Wellington	30,205,029	2.0%	2.0%	13.12%	4.08%	26,767,860	2.0%	2.0%	-4.63%	7.89%	42.26%	N/A	N/A
Total Small Cap - Active	61,059,235	4.1%	4.0%	14.63%	4.22%	55,948,301	4.1%	4.0%	-1.92%	12.43%	43.25%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				16.82%	4.90%				-0.82%	15.86%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	303,233,831	20.6%	20.0%	11.66%	4.34%	272,368,226	20.1%	20.0%	-1.47%	10.01%	29.19%	2.00%	1.63%
<i>MSCI EAFE - 50% Hedged</i>				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY													
<i>Capital Guardian</i>	82,213,159	5.6%	5.0%	15.37%	5.13%	71,213,912	5.3%	5.0%	7.64%	24.19%	27.91%	8.93%	2.83%
<i>MSCI Emerging Markets Free</i>				17.27%	4.81%				8.25%	26.95%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	10,020,510	0.7%	0.7%	1.25%	1.04%	9,893,768	0.7%	0.7%	3.67%	4.97%	2.02%	8.00%	8.39%
<i>Lehman Aggregate</i>				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Active Duration</i>													
WestAM (Criterion)	9,882,343	0.7%	0.7%	1.06%	0.82%	9,775,925	0.7%	0.7%	2.75%	3.83%	-0.25%	5.14%	6.43%
<i>Lehman Aggregate</i>				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Index</i>													
Bank of ND	16,693,090	1.1%	1.0%	0.70%	1.04%	16,518,805	1.2%	1.0%	3.46%	4.18%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	10,824,888	0.7%	0.7%	1.26%	0.42%	10,769,356	0.8%	0.8%	1.21%	2.48%	5.08%	5.57%	5.70%
Total Index	27,517,978	1.9%	1.8%	0.87%	0.85%	27,288,161	2.0%	1.8%	3.05%	3.94%	0.23%	6.79%	6.83%
<i>Lehman Gov/Credit</i>				0.80%	1.06%				3.56%	4.39%	-0.72%	6.73%	7.10%
<i>Convertibles</i>													
TCW	10,430,201	0.7%	0.7%	8.54%	3.01%	9,608,671	0.7%	0.7%	-3.94%	4.26%	16.74%	0.51%	3.89%
<i>First Boston Convertible Index</i>				5.37%	2.08%				-1.05%	4.26%	14.44%	4.95%	5.78%

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	December-04					September-04				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Fiscal YTD	FY04	Ended	Ended
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy		Net ROR	Net ROR	6/30/2004	6/30/2004
BBB Average Quality													
Wells Capital (formerly Strong)	10,069,282	0.7%	0.7%	3.94%	1.58%	9,663,964	0.7%	0.7%	4.62%	8.73%	1.29%	6.26%	7.23%
Lehman BBB				1.69%	1.56%				4.76%	6.53%	1.23%	8.23%	6.60%
Timberland													
RMK	12,342,576	0.8%	0.8%	8.02%	8.31%	11,525,031	0.9%	0.9%	3.86%	12.19%	10.46%	N/A	N/A
TIR	22,041,426	1.5%	1.5%	0.43%	0.27%	22,009,199	1.6%	1.6%	N/A	N/A	N/A	N/A	N/A
Total Timberland	34,384,001	2.3%	2.3%	3.04%	3.03%	33,534,231	2.5%	2.5%	3.86%	7.01%	10.46%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	102,304,315	6.9%	7.0%	2.69%	1.90%	99,764,720	7.4%	7.0%	2.69%	5.45%	5.08%	6.35%	7.34%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
HIGH YIELD BONDS													
Loomis Sayles	51,040,334	3.5%	3.5%	7.13%	2.59%	49,601,155	3.7%	3.5%	6.23%	13.81%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				4.51%	1.47%				4.85%	9.57%	N/A	N/A	N/A
Sutter/Wells Capital	49,477,228	3.4%	3.5%	3.98%	1.02%	49,551,562	3.7%	3.5%	4.20%	8.35%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				4.55%	1.51%				4.63%	9.39%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	100,517,562	6.8%	7.0%	5.56%	1.81%	99,152,717	7.3%	7.0%	5.21%	11.06%	7.69%	6.68%	2.79%
Lehman High Yield Bond Index				4.57%	1.49%				4.85%	9.64%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	37,345,499	2.5%	2.5%	10.41%	1.80%	34,125,615	2.5%	2.5%	3.06%	13.79%	7.86%	14.20%	6.47%
Citigroup Non-US Gov't Bond Index (2)				10.63%	1.89%				3.29%	14.27%	7.59%	13.65%	6.84%
International Core													
Brandywine	37,370,373	2.5%	2.5%	9.22%	1.88%	35,132,176	2.6%	2.5%	4.74%	14.40%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				10.66%	1.92%				3.49%	14.52%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	74,715,872	5.1%	5.0%	9.81%	1.84%	69,257,790	5.1%	5.0%	3.90%	14.09%	8.78%	14.41%	6.59%
Citigroup Non-US Gov't Bond Index (2)				10.63%	1.89%				3.29%	14.27%	7.59%	13.65%	6.84%
REAL ESTATE													
JMB	-			-86.10%	-86.10%	10,053			16.49%	-83.81%	1.45%	-5.90%	-3.04%
INVESCO	57,225,804			-0.43%	0.00%	55,084,827			-5.91%	-6.31%	6.72%	5.80%	7.59%
J.P. Morgan	57,168,060			2.85%	1.83%	55,581,986			3.83%	6.80%	11.11%	7.63%	9.54%
TOTAL REAL ESTATE	114,393,864	7.8%	9.0%	1.27%	0.95%	110,676,866	8.2%	9.0%	-0.88%	0.39%	8.87%	6.70%	8.55%
NCREIF TOTAL INDEX				4.69%	1.54%				3.42%	8.27%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS													
Brinson IVCF III	1,058,524			0.31%	0.31%	1,055,213			2.48%	2.80%	16.88%	16.12%	56.18%
Coral Partners V	5,759,222			-4.59%	0.00%	6,008,076			6.37%	1.49%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	680,169			2.90%	0.00%	714,519			2.37%	5.34%	30.44%	N/A	N/A
Coral Partners VI	3,710,653			-2.08%	0.00%	3,885,668			-0.28%	-2.35%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	1,454,304			-0.98%	4.02%	1,718,793			3.37%	2.35%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	2,646,419			2.80%	2.80%	2,562,361			0.48%	3.29%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	4,925,961			3.30%	3.30%	4,746,254			3.01%	6.41%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	2,632,417			1.05%	0.42%	2,144,359			0.81%	1.87%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	1,656,879			-4.00%	4.58%	1,207,228			-4.97%	-8.76%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	262,672			2.02%	-0.63%	161,652			-2.71%	-0.74%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,503,318			7.91%	7.91%	1,480,710			5.73%	14.09%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	1,714,983			2.89%	1.57%	1,805,456			3.24%	6.22%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	1,292,722			-1.63%	0.07%	1,102,792			0.86%	-0.79%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	2,116,208			6.60%	3.86%	1,799,011			0.27%	6.89%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	569,440			-0.78%	-0.78%	388,769			-0.12%	-0.90%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	74,423			-1.76%	-1.76%	75,401			0.09%	-1.67%	N/A	N/A	N/A
Brinson BVCF IV	7,692,424			-0.88%	0.00%	8,484,884			6.66%	5.72%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	5,739,414			4.11%	2.95%	8,315,812			-3.26%	0.72%	13.00%	N/A	N/A
Matlin Patterson Global Opportunities II	4,416,773				8.74%	-			N/A	N/A	N/A	N/A	N/A
InvestAmerica	1,920,321			0.00%	0.00%	1,911,348			17.28%	17.28%	-7.73%	N/A	N/A
Hearthstone MSII	1			536.18%	140.24%	217,788			106.69%	1214.92%	28.64%	20.32%	N/A
Hearthstone MSIII	10,045,942			1.26%	0.00%	9,874,955			-0.08%	1.18%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	61,873,188	4.2%	5.0%	2.71%	2.57%	59,661,050	4.4%	5.0%	2.91%	5.69%	3.39%	-11.65%	4.52%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	28,037,827	1.9%	2.0%	0.45%	0.17%	25,121,066	1.9%	2.0%	0.44%	0.89%	1.44%	1.86%	3.48%
90 Day T-Bill				0.48%	0.21%				0.37%	0.85%	0.98%	1.71%	3.29%
TOTAL FUND	1,473,640,924	100.0%	100.0%	8.80%	3.17%	1,354,437,687	100.0%	100.0%	0.04%	8.85%	19.30%	3.60%	2.91%
POLICY TARGET BENCHMARK				8.71%	2.86%				0.61%	9.38%	18.20%	3.00%	2.43%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.